

Puget Sound Energy Core Gas Portfolio

Winter 2005 - 2006

WUTC Presentation
October 12, 2005



Puget Sound Energy

2005/06 Winter Supplies
(Average Winter Day)



Firm Flowing Supplies

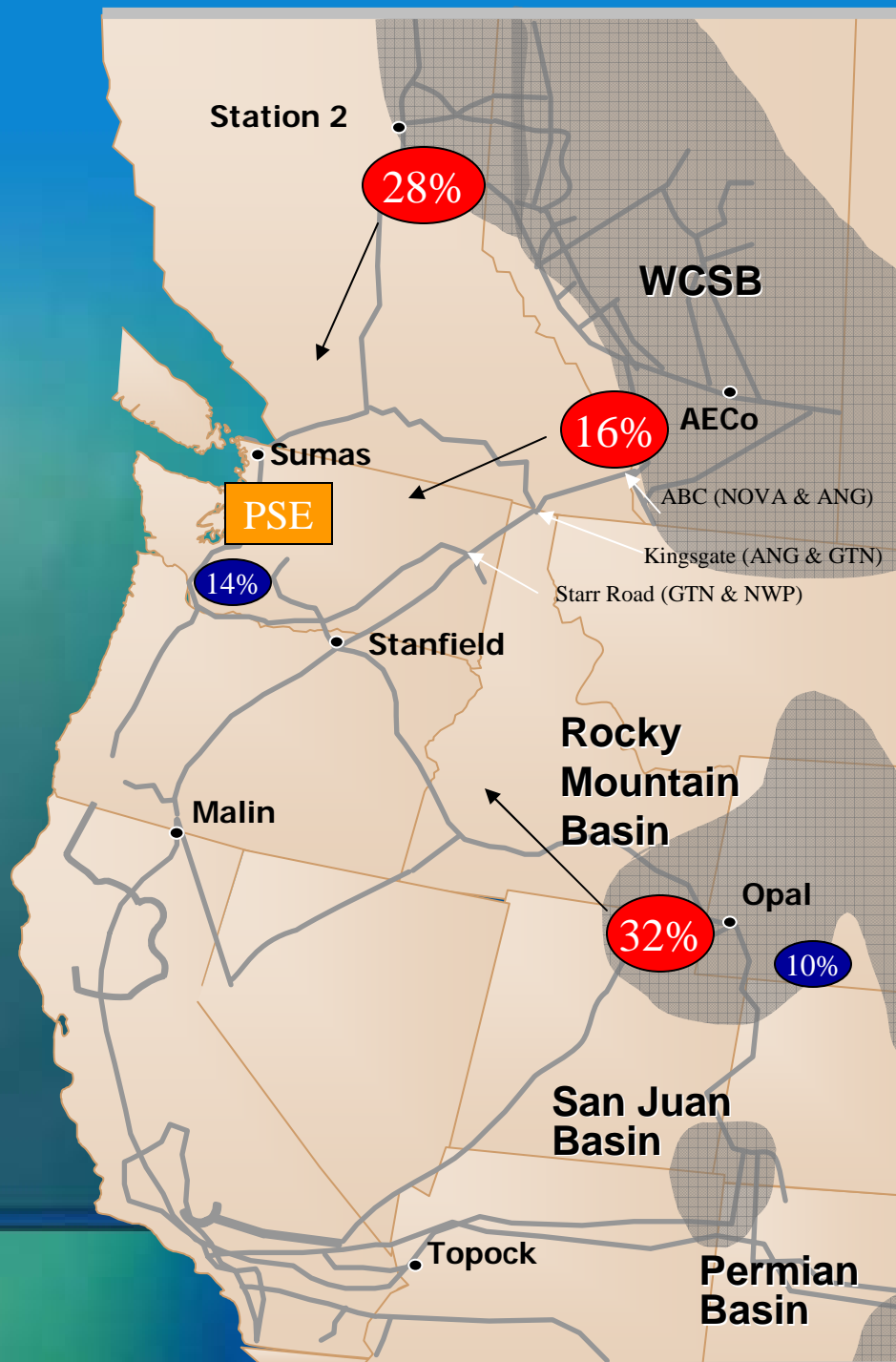


Storage

Avg. Day Winter Supply Volumes
(MMBtu):

British Columbia	105,000
AEC Co	60,000
Rockies	120,000
Jackson Prairie	55,000
Clay Basin	33,000
<u>Total</u>	<u>373,000</u>

Assumes that storage is 100% full on Nov 1, and that it is ratably emptied in its entirety by Mar 31, 2006.

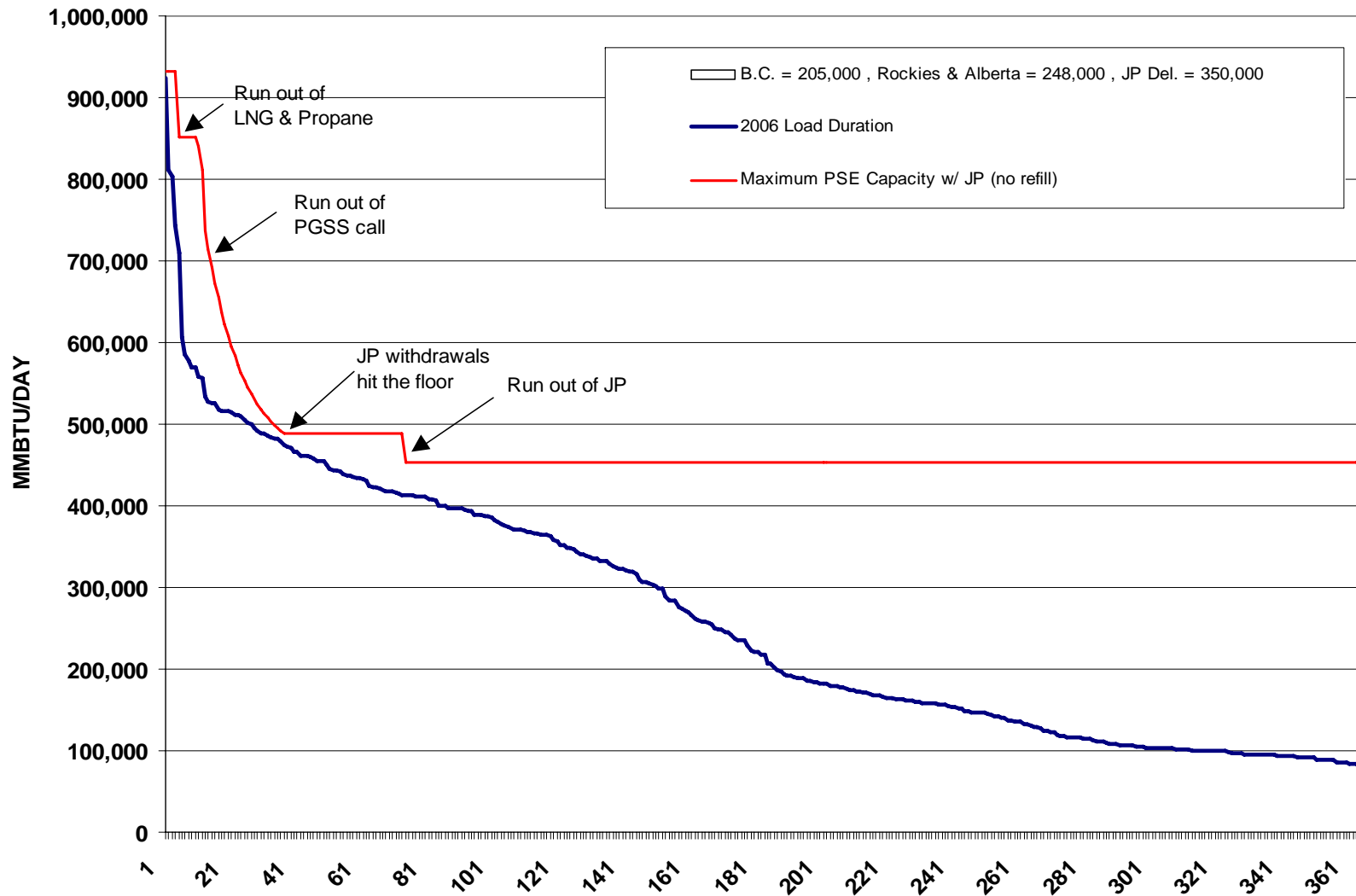


PSE Storage

- **Current Storage Inventory Levels:**
 - Jackson Prairie
 - 100 % Full (8.3 Bcf)
 - Average Price = \$6.22/Dth
 - PSE Withdrawal Capacity = 350,000 Dth/day
 - Clay Basin
 - 90% Full (5.0 Bcf)
 - Average Price = \$5.49/Dth
 - PSE Withdrawal Capacity = 45,000 Dth/day

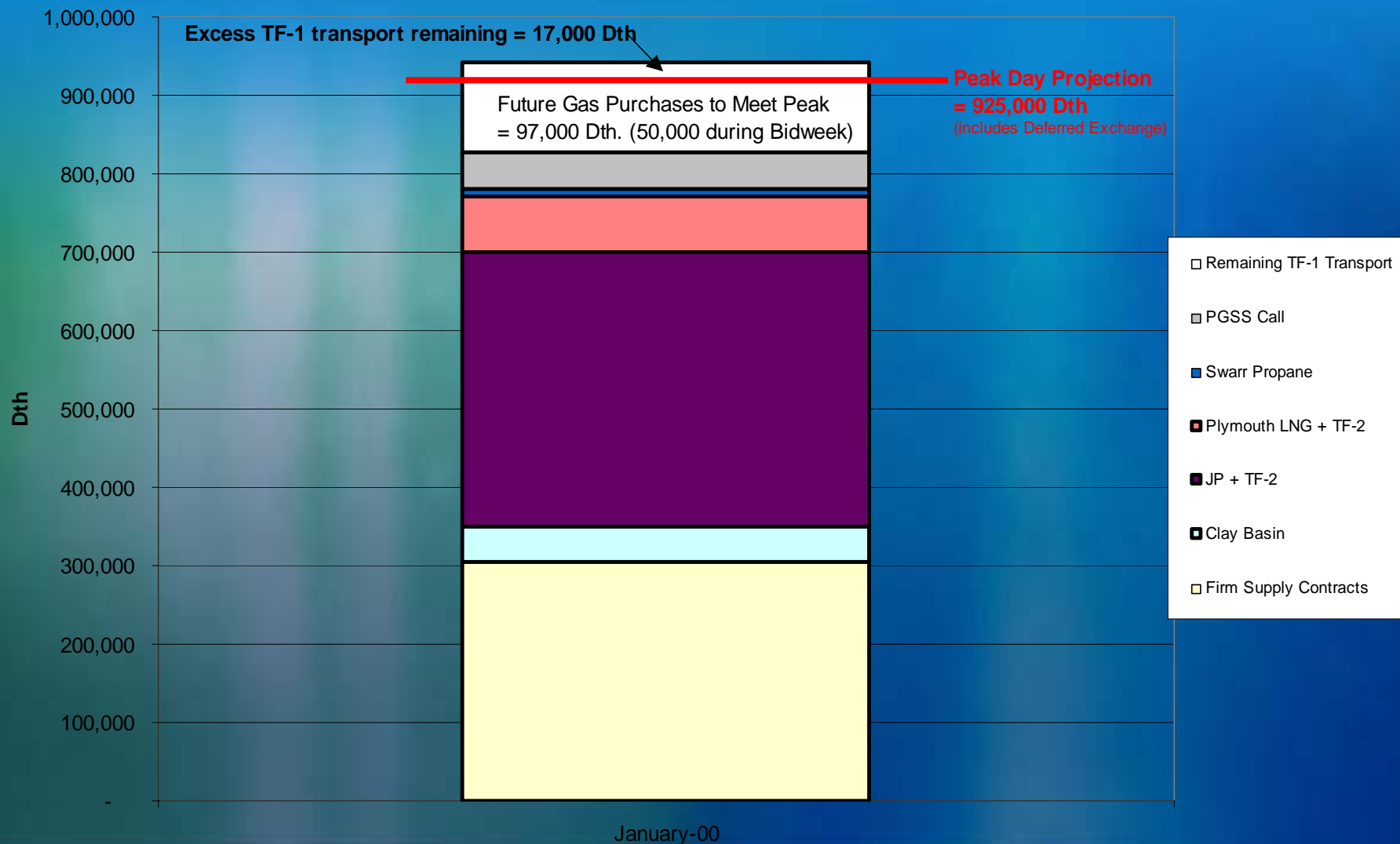
Load Duration Curve

PSE Loads and Supply Capacity (Winter 2005/06)



Resources to Meet Peak Load

PSE Core Gas Portfolio Winter 2005/06 Peak Day (as of 9/30/05)



Peak Day load projection based on 13 F (likelihood of occurrence < 2.5%)

Physical Supply Risk Factors

- **Western Washington only has 1 pipeline:**
 - Sections of the pipeline are old...
 - Operational constraints at the Gorge
 - Processing hick-ups in B.C.
- **Any Problems with JP**
 - 900,000 Dth/d of regional capacity
- **Credit Availability for buy \$20/Dth gas**
- **26" line less of a problem due to idle Evergreen Expansion capacity**

Contingency Plans

■ Cold Weather Action Plan

- PSE's Corporate Emergency Response Plan clearly defines internal & external communications, and operational duties & responsibilities in the event of a supply, or system curtailment.
- Core Gas portfolio owns the right to call up to 48,400 Dth/day of gas from the Power portfolio.
(Tenaska switches to Fuel Oil back-up)

■ Customer Curtailments

- PSE has the right to curtail approximately 100,000 Dth/day of interruptible gas load.